

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTO 04867 052021Z  
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 STR-04 /059 W  
-----122136 052030Z /75  
P 051945Z AUG 77  
FM AMEMBASSY SANTO DOMINGO  
TO SECSTATE WASHDC PRIORITY 1530

LIMITED OFFICIAL USE SANTO DOMINGO 4867

E.O. 11652: N/A  
TAGS: EGEN, ENRG, EFIN, DR  
SUBJECT: EXIMBANK - PROPOSED BANK LOANS TO CDE

REFS: (A) LARA-O'CONNOR TELCON 8/4/77, (B) LARA-CRAFTON TELCON  
8/4/77  
(C) STATE 146858

1. FIRST NATIONAL CITY BANK OFFICIAL, ANTONIO ALMA, INFORMED  
EMBASSY FNCB AND CHEMICAL BANK OF NEW YORK ARE CONSIDERING A  
SYNDICATED LOAN OF \$60-\$70 MILLION FOR STATE-OWNED ELECTRIC COMPANY  
(CDE). LOAN WOULD MOST LIKELY BE IN THE AMOUNT OF \$70 MILLION.  
FIFTY MILLION DOLLARS WOULD BE FOR "ROLL OVER" OF EXISTING DEBT,  
AND THE REMAINING \$20 MILLION WOULD GO TOWARD PURCHASE OF THE 36 MW  
GENERATOR IN THE VIRGIN ISLANDS (REF C) AND METERS AND EQUIPMENT TO  
CONTROL ILLEGAL CONNECTIONS. FNCB ESTIMATES CDE COULD COLLECT AN  
ADDITIONAL TEN MILLION DOLLARS PER YEAR IF IT COULD CONTROL ILLEGAL  
CONNECTIONS AND METER BYPASSES. THE LOAN WOULD BE FOR SEVEN YEARS  
INCLUDING A TWO YEAR GRACE PERIOD.

2. CHEMICAL BANK OF NEW YORK VICE PRESIDENT, ARES PACOCHADA CAN  
PROVIDE ADDITIONAL INFORMATION REGARDING SYNDICATED LOAN.

3. FNCB OFFICIAL SAID A FAVORABLE RESPONSE FROM EXIMBANK ON  
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PAGE 02 SANTO 04867 052021Z

CDE'S REQUEST FOR AN EXTENSION OF \$47 MILLION EXIMBANK CREDIT TO  
\$100 MILLION WOULD FACILITATE SYNDICATED LOAN. HE ADDED BANK HAD  
GREAT CONFIDENCE IN NEW MANAGEMENT OF CDE AND HAS NO QUALMS REGARD-  
ING LOAN.

4. BANK OF AMERICA IS CONSIDERING A "ROLL OVER" OF NINE MILLION  
DOLLARS FOR CDE ALSO.

5. CHASE MANHATTAN REPORTS HAPPILY THAT CDE IS CURRENT.

6. IN LIGHT OF FOREGOING, EMBASSY URGES THAT EXIMBANK GIVE FAVORABLE CONSIDERATION TO EXTENSION \$47 MILLION TO \$100 MILLION. SO FAR, MANY U.S. BUSINESS CONCERNS HAVE DONE WELL IN THE DOMINICAN REPUBLIC, THANKS IN PART TO EXIM FAR-SIGHTED, ENLIGHTENED AND AGGRESSIVE LENDING POLICIES. IF WE ARE TO CONTINUE TO PROVIDE U.S. BUSINESS WITH AN EDGE OVER SPANISH, JAPANESE AND OTHER COMPETITION, WE NEED EXIM'S CONTINUING SUPPORT.  
HURWITCH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, ELECTRICAL INDUSTRY, STATE ENTERPRISES, DEBT REPAYMENTS, CREDIT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 05-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977SANTO04867  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Message ID:** e3ed6f61-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1697045  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIMBANK - PROPOSED BANK LOANS TO CDE  
**TAGS:** EGEN, ENRG, EFIN, DR, XMB  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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